

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Ellisburg Post Office
Ellisburg, New York

Docket No. A2011-75

REPLY COMMENTS OF THE PUBLIC REPRESENTATIVE

(December 22, 2011)

The central issue raised in this appeal of the Final Determination to close the Ellisburg, New York post office is whether selecting Ellisburg rather than other adjacent post offices to close was arbitrary. There is also an issue of whether the calculation of the financial effects of closing misestimated the employee compensation expenses that would be saved, and whether the lost rental income from converting P.O. box customers to rural delivery customers was even considered.

Winford Smith is a retired postal employee with first-hand experience in all of the post offices that would be potentially affected by this proposed closing (Ellisburg, Pierrepont Manor, and Mannsville). According to the Mr. Smith's Petition, dated September 12, 2011, the Pierrepont Manor office will be affected because it is roughly 3 miles from the Ellisburg office, while the Mannsville office will be affected because it is roughly 2 miles away. See Petition, point 3. Mr. Smith asserts that the Ellisburg office is the logical one of the three to remain open because it serves the Township of

Ellisburg and all of its official offices.¹ He also asserts that the Ellisburg office is the logical one of the three to keep open because the Mannsville office is physically decrepit, while the Pierrespont Manor office is merely an attachment to a diner and too small to absorb the Ellisburg services.

Mr. Smith asserts that the rationale offered by the Postal Service for making Ellisburg the candidate for closure is simply that its postmaster retired in 2008.² He asserts that this rationale is arbitrary. He says that it would make business and practical sense to transfer the postmaster from Pierrespont Manor to Ellisburg, leave the Ellisburg operation intact, and consolidate the Pierrespont Manor and Mannsville offices into a new centrally located facility. *Id.* The Public Representative agrees that that it is arbitrary to make post office closing decisions on the basis of which of a set of post offices in close proximity to each other has a retired postmaster and which do not. Section 404(d)(5)(A) of Title 39 requires that decisions to close post offices not be “arbitrary, capricious, or an abuse of discretion.”

In addition to applying an essentially arbitrary criterion for decided to close Ellisburg rather than either adjacent post office, the Final Determination is defective in its estimate of the financial consequences of closing. It makes the assumption that the salary and benefits that will be saved are those of an EAS-11 Postmaster (\$33,168 plus \$11,111). *FD* at 8. It makes this assumption even though the Ellisburg postmaster has long-since retired (on March 18, 2008), and the Ellisburg office has been operated ever since by an Officer in Charge, at considerably lower compensation. *Id.* at 2. There is

¹ These include the offices of the town Clerk, Tax Collector, Assessor, the Justice of the Peace, and the Highway Department. See Letter of Debra L. Payne, dated September 9, 2011.

² When asked why it selected the Ellisburg office rather than adjacent offices for closing, the Postal Service responds that post office reviews are “customary” when the retirement of an office’s postmaster is pending. See *FD* at 3. By mentioning no other rationale for selecting the Ellisburg office for study, it confirms by strong implication, that its decision to close Ellisburg is based on the absence of an incumbent postmaster. The Postal Service also confirms that it applies this criterion for determining what post offices to close out of “custom,” rather than any constraint in a collective bargaining agreement. *Id.* at 5. This custom is clearly arbitrary because it is unrelated to the suitability of a post office for closing. There is no requirement that a post office be operated by a postmaster, and there is no constraint that a postmaster cannot be transferred from an office suitable for closing to an office that is not.

no realistic expectation that the Postal Service would replace the Ellisburg postmaster with another full-salaried postmaster if it continues to keep the Ellisburg post office in operation. The salary of benefits of the Officer-in-Charge should have been the measure of the savings. According to the Commission, estimates of the salaries and benefits saved by closing must be based on the Postal Service's best estimates of actual, rather than unrealistic or hypothetical savings.³

Another defect in the Postal Service's estimate of the financial effects of closing is its failure to account for the loss of rental revenue from the Ellisburg post office boxes. Currently, the Ellisburg post office rents 105 boxes. When it calculates the cost of replacement service, the Postal Service assumes that it will have to add 84 boxes to the Star Route that is currently administered from the Ellisburg post office. It therefore assumes that 84 of the 105 boxes currently rented out at the Ellisburg office will choose rural delivery instead after Ellisburg is closed. The loss of rental income of 84 boxes is not accounted for. If the 84 boxes that the Postal Service does not expect to be rented after the Ellisburg office is closed are, on average, of medium size (from Fee group 3), they have been contributing \$60 per year to Postal Service revenue. Multiplying that average figure by 84 yields \$5,040 in box revenue that the Postal Service will lose under its own assumptions regarding how Ellisburg's current customers would respond to closing. It has failed to even consider this effect.

³ See Docket No. A2011-19, Order No. 912, at 12-13.

The Commission should remand the Final Determination for an explanation of why Ellisburg rather than adjacent post offices was studied for closure, and for an estimate of financial effects that properly reflects employee compensation that would be saved, and rental income that would be lost, if the Ellisburg office were to be closed.

Respectfully submitted,

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